

**Remarks of Stuart E. Eizenstat
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"Historic" is a much-abused word, used so often it has become debased. But today's agreement is genuinely historic, marking the culmination of what is likely to be the last major multilateral negotiation with Germany for the wrongs perpetrated during Nazi Germany's ruinous period of power from 1933 to 1945.

German companies, along with Germany's Government, have courageously come to terms with injuries largely ignored for 55 years, which for decades they insisted were the responsibility of the German Government, if anyone, to address. In so doing, they are providing some justice, however belated and for only a small fraction of the victims, but justice nevertheless to the elderly survivors never before compensated for these historically grave wrongs -- slave and forced laborers of whom some one million of more than 10 million survive; those whose property were confiscated through Aryanization; others who were subject to medical experiments and other wrongs; those whose insurance policies were never paid, and all those who suffered at the hands of German companies.

All of the countries and organizations involved represent people grievously injured by German companies and the Nazi regime. Yet in allocating funds, we largely avoided arguments over degrees of suffering. We recognized that all of those eligible deserved to be recognized and compensated. Jewish-non-Jewish ties were thereby strengthened. In point of fact, most of the funds for slave and forced laborers will go to deserving non-Jews too long forgotten.

Permit me to provide a context for what has taken us 18 months to conclude. I refer to the five Central and Eastern European governments -- Belarus, the Czech Republic, Poland, Russia, and Ukraine, the State of Israel, the German Government, representatives of the Bundestag, lawyers for the victims, representatives of German companies, and the Conference on Jewish Material Claims Against Germany.

THE HOLOCAUST

One must begin with the Holocaust, probably the gravest crime against humanity in recorded history and history's greatest robbery -- robbery of personal effects, art, property, insurance, the right to compensation for labor, and, ultimately, dignity. Slave Laborers, Jewish and non-Jewish, who lived in concentration camps while they were forced to work, will receive the highest per capita allocation, because they were being worked to death. The Nazis had three methods of extermination: gassing, shooting and slave labor, known in German as "Vernichtung durch Arbeit," literally "extermination through labor."

The Nazi regime, in addition to attempting to conquer Europe and subject nations to a racist ideology, also undertook a war within a war, one to exterminate the Jewish people. They often sacrificed resources for the broader war effort for this war against an entire people. As one historian described it, "the Nazi Holocaust transcends the bounds of modern historical experience... . Never before in modern history had one people made the killing of another the fulfillment of an ideology..." The German legislation passed by the Bundestag last week acknowledged these historical facts and accepted the responsibility for them. The preamble to the law states:

"that the National Socialist State inflicted severe injustice on slave laborers and forced laborers, through deportation, internment, exploitation which in some cases extended to extermination through labor..."

"that German enterprises which participated in the National Socialist injustice bear a historic responsibility and must accept it,..."

"that the German Bundestag acknowledges political and moral responsibility for the victims of National Socialism."

The Conference on Jewish Material Claims Against Germany played a critical role in our success. The Conference was led by Israel Miller, Israel Singer, Gideon Taylor, and Karen Heilig, together with a team of attorneys, Stan Chelsey and Jeanne Geoppinger. The State of Israel, represented by Minister Rabbi Melchior, Benjamin Shalev, Lenny Ben-David, Bobby Brown, and also with Holocaust survivors Ben Meed, Roman Kent, Noach Flug, Karl Brozik, Saul Kagan, and Ben Helfgott also played a key role. They all constantly reminded us of the moral dimension of our effort and kept all of us pointed toward the ultimate goal of justice for those who suffered, Jew and non-Jew alike. The Claims Conference is a worthy partner organization to handle the claims of Jewish slave and forced laborers.

This agreement does not end moral responsibility for the Holocaust. Nothing can erase the memory of those who died, of the culture and potential achievements lost, of the suffering of those who survived, of the lessons the Holocaust must teach us about the importance of tolerance and the rule of law, of the need for good people not to remain silent in the face of evil, of the need for prompt international response to human rights violations. All of this should remain in our hearts and minds as long as people occupy this planet. But at the same time, this historic agreement does help to close a chapter for those who have waited so long for some measure of justice, and it does help to heal wounds left open during the lifetime of many of the survivors.

CENTRAL AND EAST EUROPEANS

One of the most important achievements of our negotiations is to provide belated recognition and payments to the double victims of the 20th Century's worst evils -- Nazism and Communism, some one million citizens of Central and Eastern Europe who were forced laborers and in some cases slave laborers of Nazi industry and agriculture. They were forced to keep the German economy running while Germans went to war. They received little or no compensation and lived in harsh conditions, guarded camps and, in some cases, concentration-like camps. As if this was not enough, they then lived for over four decades after World War II under the iron rule of Communist governments, denied compensation from Germany, until the programs of the 1990s. At last their suffering is being recognized.

The German Foundation has a responsibility to ensure that they are treated fairly and equitably, and that all people similarly situated are treated the same. We will do all we can to help achieve that result.

I want to applaud the representatives of the governments of Belarus, the Czech Republic, Poland, Russia, and Ukraine, led respectively by Belarus Deputy Foreign Minister Vladimir Gerasimovich, Jiri Sitler of the Czech Republic, Polish Deputy Foreign Minister Jerzy Kranz, Russian Ambassador Valentin Kopteltsev, and Ukraine Deputy Foreign Minister Olexander Maidannyk, as well as the leaders of their Reconciliation Foundations, which will handle claims in their countries. All of you made important contributions and were excellent representatives for your people. You have each written an important page in your country's histories.

GERMANY

We must never forget that half of the 10 billion DM amount to reach a dignified payment level for victims came from the Federal Republic of Germany, through its government and parliament, and thus from all of the German people. Despite the efforts of postwar German governments to address the consequences of Nazi horrors, we found ourselves struggling with this moral issue again, 55 years after the end of Hitler's Germany. Many countries and leaders are reluctant to face the past. Here Germany's leaders were willing to recognize an important gap in past compensation and restitution programs. It is to Germany's eternal credit

that your leader, Chancellor Schroeder, chose to face the wrongs perpetrated by Germany's companies during the War and the German state's own employment of forced and slave laborers and to reach out to surviving victims. The leadership and courage of Chancellor Schroeder, and his willingness and that of his government and the Bundestag and Bundesrat to contribute 5 billion DM to the German Foundation at a difficult budgetary and economic time, has been inspirational.

This adds a new dimension to Germany's collective and continuing acceptance of responsibility for Nazi wrongs, shouldering an obligation never matched by any other nation in history. Since its founding, the Federal Republic of Germany has made compensation and reconciliation for wrongs committed during the Nazi era an important part of its political agenda. The agreement we sign today is a significant new chapter in that continuing and ongoing responsibility. You have set an example for the 21st Century other nations would do well to follow.

No one has set a better moral tone for our work than German President Rau, whose statement in December in which he "begged forgiveness" on behalf of German enterprises and the German people for the wrongs committed, remains the signature moral position in this long affair.

Yet from its inception, this has been at its heart a German company initiative. It was this generation of enlightened German industrialists and financial leaders who were willing to meet the moral responsibility for the actions of their corporate predecessors. For sure, there were practical and legal dimensions to their actions, given the pendency of class actions against them in the United States, one of their largest markets. But it would be unfair and misleading to suggest that this was their sole motivation for the actions they have taken. They have contended from the start that they bore no legal responsibility today. Indeed, there are a variety of legal hurdles to any recovery in U.S. courts.

But German companies sued in U.S. courts have clearly assumed a moral responsibility, thereby setting a standard for good corporate citizenship. This is evidenced by their willingness to create a Foundation which will pay many more victims than those surviving laborers their companies employed or wronged -- perhaps as many as a million more, those who worked for defunct German companies, those not subject to the jurisdiction of U.S. courts, SS companies, and public employees, and to permit the Reconciliation Foundation to pay agricultural workers. This moral dimension is further demonstrated by the contributions of literally hundreds of German companies who have absolutely no legal risk in U.S. courts or elsewhere. Moreover, German companies insisted on an adequately financed Future Fund within the capped 10 billion DM-plus interest fund, for the benefit of heirs and for education projects and programs to promote tolerance and human rights. We are certain that German enterprises will rise to the challenge of promptly raising their 5 billion DM contribution.

There are many German company leaders who deserve credit, including Deutsche Bank Chairman Breuer, and members of the German Foundation Initiative Legal Working Group, headed by Dr. Klaus Kohler. But the leader of the German company effort from the start has been Manfred Gentz, the Chief Financial Officer of DaimlerChrysler. Dr. Gentz, with tremendous business responsibilities, undertook the time-consuming task of leading the corporate effort. He has been a tough but fair negotiator, a diligent defender of German corporate interests, and one who never lost sight of his dual goals of a measure of justice for victims and legal peace for German companies. Both goals are now within sight. We would not be here today without him. The legal team of German companies is ably represented by the firm of Wilmer, Cutler, and Pickering, which includes Lloyd Cutler, Roger Witten, Robert Kimmitt, Lou Cohen, and John Trenor.

U.S. LAWYERS

We must be frank. It was the American lawyers, though the lawsuits they brought in U.S. courts, who placed the long-forgotten wrongs by German companies during the Nazi era on the international agenda. It was their research and their work which highlighted these old injustices and forced us to confront them. Without question, we would not be here without

them. The settlement we reached of 10 billion DM will help hundreds of thousands of victims, beyond those whom the lawyers represent, live out their declining years in more comfort. For this dedication and commitment to the victims, we should always be grateful to these lawyers.

But they have also worked diligently to find solutions to seemingly intractable problems and to cooperate in finding ways to achieve legal peace for German companies.

The legal fees they will receive are far less than would normally be received for such a large settlement and represent only about one percent of the total Foundation sum. This is eminently reasonable given their contribution. Their receiving from the Foundation what is negotiated with German companies and the German Government is indispensable to the implementation of this agreement, and I have pledged, together with Count Lambsdorff and Dr. Gentz, to ensure that this is achieved.

Special recognition is due Mel Weiss, Professor Burt Neuborne, Deborah Sturman, Michael Hausfeld, Martin Mendelsohn, Robert Swift, Ed Fagan, Michael Witt, Steve Whinston, Mel Urbach, Lawrence Kill, Dennis Faucher, Barry Fisher, Carey D'Avino, Linda Gerstel, Irwin Levin, Edward Millstein, Morris Ratner, and Richard Shevitz.

MESSAGE TO VICTIMS AND SURVIVORS

One of the great disappointments is that this agreement comes so many years after the War and that so many who would have been eligible have died. Through this Foundation Initiative we will honor the memories of those who died during and after the Nazi period. To those who still survive, we know that no amount of money can adequately compensate you for the wrongs perpetrated against you. But we hope the dignified sums you will receive will serve as a recognition of your suffering and will enable you to live with less difficulty than would be the case without these payments.

We also hope the Future Fund, which will endure long into the future, will support projects which will remind generations still unborn of your sacrifice.

UNITED STATES ROLE

Why has the U.S. Government taken such a direct role in the settlement of private lawsuits and in helping to shape the German Foundation, "Remembrance, Responsibility, and the Future"? It is because we were asked by the German Government to work as partners with them in facilitating this historic initiative, and all parties to the litigation agreed to our participation. It is because of President Clinton's determination to expeditiously help in their lifetimes those who were victims of German companies and German government injustices, many of whom are American citizens. It is because of our national interest in addressing any tensions in our relationship with Germany, one of our most important in the world, arising out of prolonged litigation and threats of sanctions.

But it is also because the United States for 55 years has supported Germany's efforts to provide justice to victims of the Holocaust and Nazi era, to Jews and non-Jews alike, wherever they lived. This effort has been a continuation of these governmental efforts. U.S. occupation forces passed the first compensation and restitution law to address the wrongs done to victims of Nazi persecution in the early postwar period. This law was later largely incorporated into German domestic legislation, which was encouraged by the United States, and reached millions of Nazi victims in the West (4.4 million claimants under the German Indemnification Law alone). Payments from the German Foundation will add another 5 billion dollars to the 100 billion (in current dollar terms) in compensation, restitution, and pensions that have been paid and will continue to be paid by Germany for acts arising out of the National Socialist period. This new Foundation will make payments to more than one million survivors of the Nazi era, and represents a fulfillment of the task of the past half-century of bringing a measure of justice to the victims.

Our role has been to work cooperatively with Germany as a catalyst and partner to help achieve some justice for far more people and far more rapidly than could ever be achieved in our courts, and to create a mechanism to help German enterprises achieve legal peace in the United States courts. The unique agreement we sign today recognizes our responsibilities, which we will meet to help achieve that result.

The importance the U.S. Government has attached to these negotiations is demonstrated by the direct involvement of President Clinton at critical times, along with his Chief of Staff John Podesta, his National Security Advisor Sandy Berger and his Counsel Beth Nolan, as well as Secretary of State Madeleine Albright and Secretary of the Treasury Lawrence Summers.

But I must single out the remarkable U.S. team who showed brilliance, imagination, determination, sound advice and counsel, and, yes, moral support to me and to the entire enterprise. Each member of the team, without complaint, added these negotiations to an already overburdened schedule. They never found an obstacle they could not help all of us to overcome. Ambassador J.D. Bindenagel, Ron Bettauer, Eric Rosand, Basil Scarlis, Jody Manning, Richard Smith, John Becker of the State Department; Solicitor General Seth Waxman, David Ogden, David Anderson, David Buchholz, of the Department of Justice; Holly Toye Moore, my Senior Advisor at the Treasury Department, have all served their country and this great cause with unswerving dedication and deserve our praise. The U.S. Ambassador to Germany, John Kornblum, deserves special recognition as one of the fathers of this initiative and the provider of sage advice and extraordinary effort from start to finish, along with his Embassy team, in particular, Mark Scheland.

OTTO COUNT LAMBSDORFF

I have saved the best for last. Count Lambsdorff, my co-chair and long-time friend, has been the one indispensable person to our success. He has spent a lifetime of faithful service to the Federal Republic of Germany, devoting himself to strengthening the German-U.S. relationship. Count, your remarkable work here has added another chapter to a distinguished career. He has been the person most responsible for finding and brokering compromises, for motivating us at difficult moments to never forget the victims we were trying to help. He has been ever faithful, friendly even at the most difficult and tension-filled times, creative and indefatigable.

Count Lambsdorff is a great German patriot who has done yet another great deed for his country. The work of your team of Michael Geier, Otto Loeffler, Gerd Westdickenberg, Stephan Keller, and many others is appreciated.

REMAINING TASKS

To achieve our basic goal of assisting the victims in their lifetimes, we still have work to do. Count Lambsdorff and I have exchanged letters with the plaintiffs' lawyers and representatives of Central and East European governments, and with the Claims Conference, addressing a number of outstanding issues which required clarification following passage of the German legislation, in areas such as insurance, "other wrongs," and payment of attorneys fees. We are determined to see that the commitments in these letters are honored.

I would also like to stress some additional points:

It is critically important that all German insurance companies cooperate with the process established by the International Commission on Holocaust Era Insurance Claims, or ICHEIC. This includes publishing lists of unpaid insurance policies and subjecting themselves to audit. Unless German insurance companies make these lists available through ICHEIC, potential claimants cannot know their eligibility, and the insurance companies will have failed to assume their moral responsibility.

It is also critical that German companies open their archives for research on the Nazi period and World War II and for the identification of any art works they may have in their possession, which might have been looted during the Nazi era.

This is a German enterprise initiative in which they have pledged to provide 5 billion DM. We all expect this money to be provided as soon as possible in an interest-bearing account so that any delay in settlement and dismissal of cases will not further disadvantage aging victims.

The plaintiffs' attorneys are working together with defense attorneys to consolidate and dismiss pending court cases against German firms for wrongs arising out of the Nazi era.

The new Foundation should convene the board of trustees and initiate public notification so that potential recipients may begin to receive payments by the end of this year.

We all now bear a heavy responsibility to implement this historic agreement. The victims have waited 55 years for this day. We cannot let them wait longer.

Thank you all for your roles in this historic endeavor.